



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

JAY B. RISING  
STATE TREASURER

Account #

October 11, 2004

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Re: Tobacco Automation Project

Dear Sir or Madam:

Beginning with the January 2005 file period, the Michigan Department of Treasury is requiring electronic tobacco tax report filing. If your Michigan Tobacco Products Tax Return is not filed electronically at that time, a revocation of license hearing may be held. Listed below are some benefits of the automated tobacco tax system and ACH debit and credit payment options:

- No fee to use the Automated Tobacco Tax System.
- Transactions are secure and confidential.
- Ability to order and track cigarette stamp orders online 24 hours a day.
- Ability to enter information on the system 24 hours a day, 7 days a week.
- System will alert you of calculation errors or missing schedules before your return is submitted.
- Payments made by ACH debit and/or credit eliminates the risk of payments getting lost.

**Filing options for submitting Tobacco Tax returns electronically:**

**Web Direct Fillable Form Filing:** Allows you to complete your tax return online. With this option you enter all required tax return information on each schedule. To use this method, complete Form 4154, *Tobacco Products Electronic Filing Application*, and return to Treasury by November 5, 2004.

**Electronic FTP Filing:** The transmission format to submit your file electronically using FTP is the Michigan defined ASCII Fixed Length Flat File by using an interactive web page with FTP submission capability. Filers have the ability to view the success or failure of their submission.

If you choose ASCII Fixed Length Flat File as your electronic filing option you must submit Form 3999, *Trading Partner Agreement* **and** Form 4154, *Tobacco Tax Electronic Filing Application*. Both forms must be submitted by November 5, 2004. Prior to actual return acceptance, all electronic filings must pass format and data requirements. **A test file must be submitted no later than December 15, 2004.**

**Payment Options**

Treasury will require all Tobacco Products Tax Licensees to pay the tax due by using either ACH debit or ACH credit effective with the January 2005 return. Payment is due on **February 20, 2005**. You may choose either payment method.

Applications are enclosed to designate your payment method. Complete and return either Form 4240, *Tobacco Products Tax Electronic Funds Transfer (EFT) Debit Application* or Form 4239, *Tobacco Products Electronic Funds Transfer (EFT) Credit Application*.

If you plan to use the ACH credit method, payments can begin after you have sent a successful test transmission (a zero dollar transaction, correctly formatted) and received written approval from Treasury. If you plan to use the ACH debit method, you will receive a user code, password and instructions in January 2005. The user code and password will be sent to you directly from Treasury's contractor.

The automated system will be implemented January 2005. Treasury is changing forms to accommodate the new system. A sample of the new forms will be mailed to each licensee prior to implementation. This will allow you time to make the necessary changes. A major change will be the requirement to supply the Federal Identification or Treasury Identification Number (FEIN or TR Number) of your customers in addition to tobacco manufacturers. This information can be obtained from your business partners.

Treasury has scheduled two conference calls to address your questions or concerns.

**ASCII Fixed Length file participants, call:**

Thursday, October 21, 2004; 2 p.m. Eastern Standard Time

**Web Users, call:**

Friday, October 22, 2004; 2 p.m. Eastern Standard Time

The phone number for both calls is 1-888-895-4286 and the participant number is 404685. If you have an accountant or bookkeeper that prepares your monthly tobacco tax return, please notify them so they may participate.

On-line trainings (Webinars) will be scheduled to show you the various web screens and ask questions on how to use the Automated Tobacco Tax System. You will be notified by mail once the dates and times are scheduled.

All applications, format documents, test and production instructions are available on Treasury's Web site at [www.michigan.gov/tobaccotaxes](http://www.michigan.gov/tobaccotaxes). Additional information will be posted on the Web site as it becomes available, and additional mailings will be sent with updates. You may also call (517) 636-4630 to have materials mailed or faxed to you or to ask questions regarding the automated system.

Sincerely,

Stephen Hilker, Director  
Customer Service Bureau

Enclosures